

Amendment No. 1 to SB0650

**Southerland
Signature of Sponsor**

AMEND Senate Bill No. 650*

House Bill No. 1079

by deleting all language after the enacting clause and substituting instead the following:

SECTION 1. Tennessee Code Annotated, Section 67-7-201(a), is amended by deleting the first sentence from the subsection and substituting instead the following:

Any county legislative body, by resolution, is authorized to levy a tax on all sand, gravel, sandstone, chert, limestone, and zinc severed from the ground within its jurisdiction.

SECTION 2. Tennessee Code Annotated, Section 67-7-202, is amended by deleting the section and substituting instead the following:

(a) "Sand, gravel, sandstone, chert, limestone, and zinc" means sand, gravel, sandstone, chert, limestone, and zinc severed from the earth in the process of producing a salable product by whatever means of severance used. It does not include, however, any mineral taxed under § 60-1-301 or part 1 of this chapter; any lime or limestone used for agricultural purposes; any lime or limestone used for pollution control or abatement purposes; any burnt lime, any hydrated lime, or any lime or limestone used for the manufacture of cement, glass, fiberglass, rubber, paper, filler for paint, caulking, putty, and roofing; rock dust for settling coal dust in underground mines or similar uses requiring chemical purity.

(b) The tax shall be levied upon the entire production in the county regardless of the place of sale or the fact that delivery may be made outside the county, except that no tax shall be due on any sand, gravel, sandstone, chert, limestone, and zinc sold for use outside the state of Tennessee.

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(c) Notwithstanding subsection (b), or any other provision to the contrary, any sand, gravel, sandstone, chert, limestone, or zinc severed from the earth by the contractor and moved from one place to another on the same construction job site, or any sand, gravel, sandstone, chert, limestone, zinc, or any other kind of material when severed and used for fill by the contractor, whether from the same construction or job site or any site other than a commercial quarry, shall be exempt from mineral severance tax under this chapter.

SECTION 3. Tennessee Code Annotated, Section 67-7-203, is amended by deleting the section and substituting instead the following:

(a) The rate of the tax shall be set by the county legislative body, but shall not exceed fifteen cents (15¢) per ton on sand, gravel, sandstone, chert, limestone, or zinc severed from the ground in the county.

(b) Every interested owner shall become liable at the time the sand, gravel, sandstone, chert, limestone, or zinc is severed from the earth and ready for sale.

(c)

(1) The tax shall be payable at the time of sale and delivery.

(2) The department of revenue shall use the accounting principle known as "first in-first out" in determining the tax payable on stockpiles or inventories of sand, gravel, sandstone, chert, limestone, or zinc existing on the effective date of the tax in the county.

SECTION 4. Tennessee Code Annotated, Section 67-7-205, is amended by deleting the language "sand, gravel, sandstone, chert and limestone" from the second sentence in the section and substituting instead the language "sand, gravel, sandstone, chert, limestone, and zinc".

SECTION 5. Tennessee Code Annotated, Section 67-7-207(a), is amended by deleting the language "sand, gravel, sandstone, chert and limestone" and substituting instead the language "sand, gravel, sandstone, chert, limestone, and zinc".

SECTION 6. Tennessee Code Annotated, Section 67-7-208, is amended by deleting the section and substituting instead the following:

(a)

(1) Any tax levied by authority of this part shall not apply to any sand, gravel, sandstone, chert, and limestone severed to meet the obligations of any written contract for sale of the product entered into prior to June 5, 1984.

(2) Any tax levied by authority of this part shall not apply to any zinc severed to meet the obligations of any written contract for sale of the product entered into prior to the effective date of this act.

(b)

(1) Any sand, gravel, sandstone, chert, or limestone that has been severed and on which any severance tax has accrued prior to June 5, 1984, in the county in which the severance has occurred shall be exempt from this part, if such tax has been paid.

(2) Any zinc that has been severed and on which any severance tax has accrued prior to the effective date of this act, in the county in which the severance has occurred shall be exempt from this part, if such tax has been paid.

SECTION 7. Tennessee Code Annotated, Section 67-7-212, is amended by adding the following new subsections:

(d) Any county that adopted a tax on the severance of sand, gravel, sandstone, chert, and limestone under subsection (a), and any county that adopted a tax on the severance of sand, gravel, sandstone, chert, or limestone as described in subsection (c), prior to the effective date of this act, is authorized to extend the application of the tax to the severance of zinc upon the adoption of a resolution by a two-thirds vote of the county legislative body of the county; provided, that the county has not repealed the tax under § 67-7-201(c) or by private act. The presiding officer of the county legislative body shall certify a copy of the resolution to the secretary of state and the commissioner of revenue.

(e) Any county legislative body that has, by private act enacted prior to the effective date of this act, levied a tax on the severance of zinc may continue the tax at a rate not to exceed the rate established in this part, and the private act shall remain in force and effect in the county for all other purposes; provided, that any adjustment required by this part, in the rate effective in the county, shall take effect on the first day of the month following the effective date of this act.

SECTION 8. This act shall take effect upon becoming a law, the public welfare requiring it.